## FILED

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## BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES IN AND FOR THE STATE OF UTAH

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SECRETARY, BOARD OF OIL, GAS & MINING

IN THE MATTER OF THE APPLICATION OF CLIFFORD MURRAY FOR AN ORDER POOLING INTERESTS IN THE DRILLING UNIT COMPRISING SECTION 2, TOWNSHIP 2 SOUTH, RANGE 1 EAST, U.S.M., UINTAH COUNTY, UTAH

RESPONSE AND REQUEST OF BENNY
MURDOCK TO REQUEST FOR
AGENCY ACTION
(Pooling)

DOCKET NO. 2010-19

CAUSE NO. 131-30

Benny Murdock, (hereinafter sometimes "Benny"), a natural person, hereby respectfully state his support for the pooling of the interests in the above captioned matter as follows:

## STATEMENT OF PROFFERED FACTS

- 1. Benny Murdock is a resident of King George County, State of Viginia..
- 2. Benny is the owner of an undivided 1/11 mineral interest comprising the 40 acres of the SESE or, said otherwise, 3.6364 net mineral acres in the drilling unit the subject of this matter. Benny's interest is listed under Tract V as Lessor #9 (on page 922 of the recordation) in the communitization agreement submitted by Murray as Exhibit C in this matter. The referred to oil and gas lease terminated upon or before the termination of said communitization agreement in 1989.
- 1. Benny's interest can also be found listed under Tract 5 (on page 11) of the communitization agreement submitted by Murray as Exhibit L in this matter.
  - Benny's interest is correctly listed as unleased.

- b. The working interest of Benny's interest is incorrectly attributed to Uinta Oil and Gas, Inc.
- 2. Benny's interest remained unleased until 8/21/2009 at which time Benny entered into and oil and gas lease with Mineral Rights Leasing, LLC.
  - 3. Benny's decimal interest in the drilling unit the subject of this matter is as follows:
    - a. From the time the 1-2B1E well returned to production in April 1997 to 8/21/2009: Unleased 3.6364 net mineral acres divided by 650.9 acres in the drilling unit yielding .00558673
    - b. Subsequent to Mineral Rights Leasing lease of 8/21/2009: Leased 3.6364 net mineral acres divided by 650.9 acres in the drilling unit multiplied by royalty of .16666667 (1/6) yielding .0009312

Wherefore, Benny respectfully requests the Board of Oil, Gas and Mining enter an order:

- A. Pooling the interests of the interest owners in the drilling unit the subject of this matter; and
- B. Finding the royalty attributable and due Benny's unleased mineral interest subsequent to the 1-2B1E well returning to production in 1997 and prior to 8/21/2009 is the average royalty attributable to each tract within the drilling unit at the time the well was returned to production in 1997; and
- C. Finding Benny's unleased working interest between 1997 and 8/21/2009 to be a "carried working interest" with well expenses to be paid from production; and
- D. Finding Benny to be due the Proceeds from the sale of oil between 1997 and 8/21/2009 which are attributable to his unleased working interest, less production expenses as determined by the terms of the operating agreement Murray submitted as Exhibit J in this matter; and

E. Requiring Uinta Oil and Gas, Inc, Mountain Oil and Gas, Inc. and Homeland Gas and Oil, Ltd. to pay Benny such Royalty and working interest Proceeds due; and

F. Requiring Uinta Oil and Gas, Inc., Mountain Oil and Gas, Inc and Homeland Gas and Oil, Ltd. to pay Benny a 1½% per month interest rate for Proceeds from the date such Proceeds should have been paid or escrowed until such Proceeds were/are paid as allowed by UCA 40-6-9(7)(a)(ii); and

G. Requiring Uinta Oil and Gas, Inc., Mountain Oil and Gas, Inc and Homeland Gas and Oil, Ltd. to pay Benny a 25% penalty of the total Proceeds and interest insofar as said Proceeds remained unpaid and/or un-escrowed as allowed by UCA 40-6-9(7)(b)(i)(C)(ii); and

H. Requiring Uinta Oil and Gas, Inc., Mountain Oil and Gas, Inc and Homeland Gas and Oil, Ltd. to timely pay all future proceeds from the well in accordance with UCA 40-6-9; and

I. Requiring Uinta Oil and Gas, Inc., Mountain Oil and Gas, Inc and Homeland Gas and Oil, Ltd. to escrow future proceeds from the well in accordance with UCA 40-6-9; and

J. Making such findings and orders in connection with this Request as it deems necessary; and

K. Providing for such other and further relief as may be just and equitable under the circumstances.

Respectfully submitted this \_\_\_\_\_ day of April, 2010.

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Benny Murdock

1069 Woodstock Rd.

King George, VA 22485

540-226-9158

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